



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801


801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

November 28, 2000

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor 

RE: Documentation of November 21, 2000 Conference Call, Assessment Review & Status of Closure & Reclamation Activities, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Date of Call/Meeting: November 21, 2000

Location: Division Offices

Time of Call/Meeting: 9:30 - 10:45 a.m.

Participants: Steven Flechner, Gene Webb, Walt Shubert - North Lily Mining Company; Bob Bayer - JBR; Dennis Frederick & Beth Wondimu - DWQ; Pam Grubaugh-Littig, Wayne Hedberg, and Doug Jensen - DOGM

Purpose of Call/Meeting: The purpose of this conference call was to document the progress that has been made at the Tintic Project site since our last conference call on November 8, 2000.

On November 21, 2000, a conference call was held between the representatives identified above to discuss the status of ongoing closure and reclamation activities at the Tintic Project site. The discussion focused on activities that had been performed since our last conference call. A summary of the discussion items are detailed below:

- Wayne confirmed that all participants had received the November 8th conference call memo, the revised schedule and latest Division approval letter to begin regrading the heap. Doug was out to the site on November 20th and stated that no change was noted to onsite conditions except that "ice castles" were building up around the misters in both the preg and overflow ponds. Water levels appeared to be increasing somewhat in the ponds.
- We again stressed the importance of scheduling the start-up of the regrading work on the heap now that both agencies had given their approval to push the heap material off from the margins of the pad. Bob said that cash flow was a factor in this regard. He stated that JBR had about \$8,000 in outstanding billing that hadn't been paid by North Lily to date and he was very reluctant to authorize additional work until he was assured the money would be there.
- Steve proceeded to explain they had 3 potential sources of funding being pursued presently to fund the reclamation work. (1) North Lily is hoping to close this week on a property sale of 1690 local acres at approximately \$850,000 (1/2 its appraised value); (2) an institutional lender has been approached to loan the company @\$450,000 based upon appraised value of another piece of property. November 30th is the deadline to know if this deal will go through; (3) possible corporate infusion of funds could occur from

Page 2
Conference Call
M/023/007
November 28, 2000

the new parent company if necessary. Steve also said that they have sold two smaller parcels of land (200-300 acre) within the past 60-90 days which has provided some funding for the project.

- Bob stated that Blue Rock Excavating (who owes North Lily monies) could begin mobilizing their construction equipment as early as tomorrow to begin regrading work the following Monday (November 27th). He stated that Blue Rock had a D6 & a D8 cat, a large trackhoe excavator, a road grader, a smaller Case backhoe and a loader to handle hauling the composted manure to the site.
- Walt stated that he knew of another possible equipment source (D-8R cat) that might be free to assist with the heap regrading efforts. Funding for the contractor's time was his prime concern if he could make the arrangements. We encouraged North Lily to take advantage of this opportunity if possible. Bob, Walt and Doug agreed to meet onsite at 8:00 a.m. Monday morning to discuss the regrading requirements for the heap.
- Bob said they had located two possible sources of composted dairy manure, one in Delta (free) and one in Elberta (\$7/ton). Haven't finalized decision on which source to use yet. Bob asked Walt to pursue a seed source and asked DOGM if we had a finalized seed mix recommendation for the site. We stated that we would consult with Lynn Kunzler on this and get back to them.
- We asked Bob when the final design plans for the Post-Closure Fluid Management System (infiltration gallery) would be submitted. He said he hoped to get the plans to both agencies by tomorrow (November 22nd).
- Bob expressed a concern and asked for clarification on schedule Item #9, the decommissioning of the barren and overflow ponds deadline (12/31/00). Dennis Frederick stated that continued use of the ponds may require some form of Settlement Agreement to resolve this concern. An alternative may be to revise the language in the existing NOV or Order.
- Wayne asked for an update on the anticipated schedule for removal and transport of the residual processing chemicals to KUCC. Bob said that TW Company did not need to go down to the site as previously anticipated, but had provided JBR with a cost estimate for removal of same. "Safety Clean" is currently evaluating the laboratory analyses of the inventoried materials to determine if additional profiling work needs to be done before transport to a disposal facility. Bob said some of the "bagged product" chemical material (e.g., granular caustic soda) was not profiled. He said that they had not intended to send the muratic acid to KUCC (unless they want it). Their priority is to send the KUCC material first.
- We briefly discussed any necessary changes to the reclamation and closure schedule. It was decided that no changes were necessary at this time, with the exception of the projected date for the final design of the Post-Closure Fluid Management System (currently November 15th). We also agreed to temporarily postpone the proposed December 5th onsite review. We confirmed the next conference call for December 5, 2000, at 2:00 p.m.

jb
cc: Steve Flechner, NLMC
Walt Shubert, NLMC
Bob Bayer, JBR
Beth Wondimu, DWQ
Dennis Frederick, DWQ
Pam Grubaugh-Littig, DOGM
Doug Jensen, DOGM
o:\north lily\confercall.10